

**MULTIMEDIA**



**UNIVERSITY**

**STUDENT IDENTIFICATION NO**

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# MULTIMEDIA UNIVERSITY

## FINAL EXAMINATION

**TRIMESTER 1 2017/2018**

### **BTM3614 TECHNOLOGY MANAGEMENT**

( All Sections / Groups )

28 OCTOBER 2017

2:30 p.m. – 5:30 p.m

(3 Hours)

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#### **INSTRUCTIONS TO STUDENTS**

1. This Question Paper consists of 5 pages, including this cover page, with 3 questions only.
2. Attempt **ALL** questions. (Please note that Question 1 requires you to choose FOUR items only).
3. Please print all your answers in the Answer Booklet provided.

**Question 1 (Compare and Contrast).**

Compare and contrast only FOUR (4) of the following pairs of concepts.

- a) Applied Research *versus* Basic Research (5 marks)
- b) Formal Leadership *versus* Informal Leadership (5 marks)
- c) Joint Venture *versus* Strategic Alliance (5 marks)
- d) Reengineering *versus* Tweaking (5 marks)
- e) Gap Analysis *versus* Benchmarking (5 marks)

Reminder: Choose only FOUR (4) pairs. Do NOT do all of them.

(TOTAL: 20 MARKS)

**Question 2 (Case Study).**

Assume that you are a Finance & Accounting Manager on the senior management team for a small but very competitive Malaysian logistics company. Your small fleet of mini-vans and light trucks delivers parcels from sender to receiver, mostly at locations in Kuala Lumpur, but also with overnight service within Selangor, Perak, Johor, Negeri Sembilan and Penang. The last two quarters have witnessed a marked increase in overhead costs, largely due to expenditures for fleet repair and maintenance, and a marked decrease in revenues, mostly due to the entry of two new competitors providing service to the same customer base in the same states.

In an attempt to generate new ideas for addressing the weakening financial position of the company, the CEO called a meeting last week in which members of the management team, warehouse and shipping staff, and other invited stakeholders brought forward suggestions for specific actions that need to be taken over the final two quarters of the fiscal year. The theme of the meeting was "*How Do We Salvage Our Year?*"

During the meeting, participants worked in groups during the morning to generate ideas for discussion and then, in the afternoon, presented them to the group as a whole. Presentations were video-recorded and a CD-Rom was distributed to everyone a few days afterward.

Earlier today, the CEO called you into her office. "The commentary at our meeting was useful," she said. "But, it is hard to decide how much weight to put on certain suggestions. In some cases, I couldn't tell if the groups doing the presentation really knew what they were talking about."

**Continued...**

“Three of the suggestions dealt with technology acquisition and management and I have no idea whether they are good ones or not,” she continued. “But, I am aware that you studied Technology Management in your final year at MMU, so I am asking you to listen to the CD and then give me your honest assessment. I want you to really analyze the points the presenters made carefully.”

“Please tell me whether the presenters made any mistakes in what they were saying and then also tell me why you think their ideas would be effective or ineffective in helping us turn around our financial status before the end of the fiscal year. If there were mistakes about MTI (Management of Technology & Innovation) concepts, then tell me what they were and correct them for me. When you are evaluating the usefulness of the concept, be sure to draw evidence-based conclusions.”

You are now sitting in front of your computer, listening to the presenters’ videotaped comments. For each one, write a paragraph telling your CEO what she wants to know.

***First Presenter (Sandiya) – Strategies for Increasing Our Competitive Advantage.***

Thank you very much for the opportunity to contribute. Our group feels as though it is too easy for our competitors to enter into the industry. When *ease of entry* is too low, it always becomes more difficult for existing first-mover firms like ours to maintain a competitive advantage. This comes from the Six Factors Theory of Dr Adam Smith, the father of Contemporary Economics. What we need to do is to find ways to prevent competitors from taking our business through increased rivalries between industry players because, as we all know, competitive advantage is easier to attain when industry rivalry is high. Consumers should have as much power over our service design as possible and our suppliers should be given exclusive contracts to increase their power, as well. All of these things will increase our competitive advantage and bring much-needed new profit into our company.”

(8 marks)

***Second Presenter (Mohd Ridwan) – More and Better Innovation.*** Thanks, everyone. You have all heard the famous song, “Innovation Blues”, right? About boring companies that continue to use the same processes and product lines all the time? Well, over the last few months, that has been “us”. We have had an almost total lack of innovation. And any new ideas that have been implemented have tended to come down the pipeline from senior management, which is often the quickest way to stifle workplace creativity. And, the new ideas we do implement, tend to be Category 4 Innovations, which deal with old processes in a new way. We use Internal Innovation consistently, rather than branching out to interface with external players in a manner that imports new ideas and creates synergies. If we want to shake things up, we need to focus on discontinuous innovations that exert a disruptive impact on the way we are doing things – and, in so doing, necessitate the rapid implementation of new know-how, techniques and equipment.

(8 marks)

Continued...

**Third Presenter (Jane Chong) – Maximizing Our Technology Strategy.** Hi everybody. We took a slightly different approach. We will never control over spiralling costs and shrinking revenues until we do a better job of fine-tuning our strategic approach to technology and innovation. Not only does MTI strategy need to be sound, but it must be integrated closely with where we are going with finance, operational and marketing strategy because when divergent approaches exist they only end up costing the firm money, creating confusion and siphoning off energy. We need to set clear goals that, when attained, will allow our Mission to become a reality in the future. Objectives – specific actions that need to be taken in order to achieve our goals – are needed and these have to be written using a START format – Smart, Testable, Achievable, Reliable and Time-Limited. An example of a good strategic goal might be to purchase a chain of repair shops so we can bring down the heavy cost of vehicle maintenance and reduce the money we have to pay out every month to keep our trucks and mini-vans on the road. This kind of strategy is known as a vertical, related merger.

(8 marks)

(TOTAL 24 MARKS)

**Question 3 (Analysis)**

- a. There are three types of controls – financial, strategic and cultural – which a business analyst can implement to evaluate the progress an organization in making toward achieving its goals. Give one example of each type of control and list the advantages and disadvantages of each one.

(16 marks)

- b. Kharbanda (2001) and other authors have discussed the transfer of technology from developed to developing countries. Some have commented that, on the surface, there should be little rationale for technology transfer since, by sharing know-how and equipment, the developed country is only making a competing nation more likely to take away some of its business in the international marketplace. Argue against this viewpoint by describing some of the benefits that can accrue from nation to nation technology transfer.

(15 marks)

- c. In the August 2017 edition of *TechVibes* online technology magazine, Brian Hendry of the BDO Canada accounting and consultancy firm, wrote an article entitled “Memo to Tech Founders: Target Your Core (and Outsource the Rest)”. With specific reference to technology entrepreneurs discuss the arguments on which Mr Hendry’s point of view is based and explain the reasons you agree or disagree.

(15 marks)

**Continued...**

- d. Provide a detailed discussion of the TWO (2) most important reasons why it is important for graduating Accountants to have a solid academic grounding in the strategic management of technology. Explain why you believe these reasons are more important than others.

(10 marks)

(TOTAL 56 MARKS)

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